



Foreign-Trade Zones Board benefits from the ease of information via ACE



February 2009: Benefits of the Automated Commercial Environment continue to expand to participating government agencies. Soon, the power of ACE will improve the ability of U.S. Customs and Border Protection (CBP) and the Foreign-Trade Zones Board (FTZB) to track and monitor zone sites. A foreign trade zone is a designated site licensed by the FTZB at which special customs procedures may be used. These procedures allow domestic activity involving foreign items to take place prior to formal customs entry. The value of merchandise moving into activated zones has increased significantly in recent years. The combined value of shipments into general-purpose zones and subzones totaled nearly \$502 billion in 2007, compared with \$491 billion the previous year, and is up from \$143.5 billion in 1995.

The FTZB, which has been actively involved in the ACE/International Trade Data System program, focuses on enhanced information sharing between government and the trade community. The FTZB looks to ACE to:

The FTZB was established by the Foreign-Trade Zones Act of 1934. The staff of the Board is located within the Import Administration of the Department of Commerce and is comprised of the Secretary of Commerce and the Secretary of the Treasury. The Commissioner of CBP also plays a key role, providing an advisory position during the FTZB voting process with respect to customs security, control and resource matters.

The FTZB is primarily responsible for: (1) Issuing grants of authority for U.S. foreign trade zones; (2) Reporting to Congress on the activity that occurs within foreign-trade zones; (3) Reviewing and approving general-purpose zone and subzone sites where FTZ procedures may be used as well as reviewing any proposal for manufacturing activity within a zone; (4) Monitoring zone activity for compliance with general FTZB requirements and with any specific restrictions placed on zone activity.

Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting customs advantages available to overseas producers who compete with producers located in the United States.

- Create and maintain zone reference data such as validating zone account information.
- Maintain FTZ zone and subzone authorization and reference information.
- Process ad hoc and routine queries and reports.
- Provide access to FTZ cargo admission and disposition documentation including the CBP-214 "Application for Foreign-Trade Zone Admission And/Or Status Designation," cargo entries, entry summaries, in-transit documentation and export documentation.
- Provide access to broker, carrier, exporter and importer accounts.
- Automate parts of the zone approval process to include circulation of zone application material among the FTZB, CBP affected port(s) and CBP headquarters.

Currently, the FTZ Portal account structure allows the FTZB to input certain data into the system, including activations for new zone activity, FTZB zone approvals, manufacturing activity and all subzone data. Restrictions or time limits are entered into ACE so that the data can be easily accessed by CBP officers who oversee the FTZB activity. Once completed, the FTZ account structure will allow the FTZB to input each general-purpose zone into the system, reducing the burden on CBP as they activate zone sites and improving the ability of CBP and the FTZB to track and monitor zone sites.